



MIGRATION, EMPLOYMENT AND LABOUR MARKET INTEGRATION POLICIES IN THE EUROPEAN UNION (2011)



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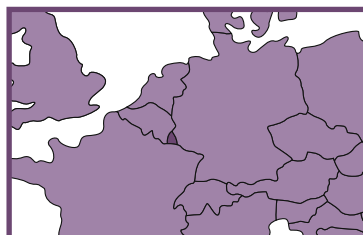
MIGRATION, EMPLOYMENT AND LABOUR MARKET INTEGRATION POLICIES IN THE EUROPEAN UNION (2011)

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LUXEMBOURG

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1. Migration trends

Luxembourg, whose population passed the 500,000 inhabitant threshold for the first time in 2010, has one of the highest shares of foreign citizens in Europe. The share of migrants reached a peak in 2009 at 43.7 per cent, levelling off in 2010–2011 at around 43 per cent of the total residential population (Statec in Frising et al., 2011: 9f). The distribution over nationalities shows that most of the migrants residing in Luxembourg hold EU citizenship. Only 6.1 per cent of the population had non-EU citizenship in 2011. By far the largest group of non-EU residents in Luxembourg are ex-Yugoslavians, comprising about half of all third-country nationals (Thill-Ditsch, 2010).

The effect of the 2008 law on naturalizations, which eases the access to Luxembourgish nationality, also permitting dual nationality, was still felt in 2010, when the total number of naturalized persons increased to 4,311. The largest groups to become Luxembourgish have been Portuguese (31.1%) and Italian (15.4%) (Statec in Frising et al., 2011:12).

Table 1: Size of the resident foreign population (absolute numbers), by gender (%), 2011

Country of citizenship	Female %	Male %	Total in 1,000
Luxembourg	50.7	49.3	283.7
EU-27	48.7	51.3	193.7
Non EU-27	54.8	45.2	22.1
Total	50.1	49.9	499.6

Source: LFS, Eurostat.

Note: Total residential population.

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Looking at the sex distribution (Table 1), it is worth noting that while more men migrate from EU-27 countries than women, the reverse is the case for non-EU migrants. As expected, there are also age differences across the three migrant groups. Migrants in general, and in particular those with non EU-27 citizenship, are younger than the native residential population. Luxembourgish citizens are under-represented among the under-15 years old and overrepresented in age groups over 50 years old. Thus, migration impacts positively on the demographic composition of Luxembourg's population.

Foreign-born migrants hold higher education degrees than their native counterparts. However, while men primarily come for professional reasons (59%), women migrate predominantly for family reasons (58%). The number of persons entering Luxembourg through international protection channels is very low (5% of male migrants, 3% of female migrants), although an increase is visible during the period 2010–2011 (see IOM, 2012).

In terms of the length of stay in Luxembourg, changes can be observed between 2005 and 2011 (Table 2). While the share of migrants increased with length of stay in 2005, in 2008 and 2011 more newcomers seem to have arrived, as the number of migrants who have been in Luxembourg for less than a year has more than quadrupled. In more general terms, the migrant population has grown in all categories, both shorter- and longer-term residents. More than half of the migrant population in 2011 are long-term migrants and have resided in the country for more than 10 years.

Table 2: Size of the resident foreign population, by length of residence, 2005-2011

	2005	2008	2011
Up to 1 year	2,250	5,968	11,067
1-2 years	4,147	5,827	7,259
2-5 years	17,318	19,392	23,956
5-10 years	22,592	23,812	28,288
More than 10 years	74,942	78,444	92,816

Source: LFS, Eurostat.

Note: Total residential population, aged 15 to 64 years.

2. Labour market impact

Following the economic crisis, Luxembourg has not entered a recession, but economic growth has slowed down considerably. Unemployment has risen to historical levels and unemployment of foreign citizens is much higher than that of natives, in particular for non-EU citizens. At the same time, Luxembourg experiences difficulties in filling positions with Luxembourgish residents and even from within the Greater Region.²²²

²²² Including Luxembourg's neighbouring regions in Belgium, France and Germany.

The economic crisis does not seem to have seriously affected the overall employment rates for women and men. The same picture is reflected in the unemployment rates (Table 3). Luxembourgish citizens enjoy a favourable position while migrants, and in particular non-EU migrants, have a higher unemployment rate. The total unemployment rate for Luxembourgish citizens was 4.3 per cent in the fourth quarter of 2011 but as high as 19.5 per cent for non-EU citizens. Meanwhile, other EU citizens show a similar rate as nationals. The low unemployment rate of Luxembourgish citizens is due to a large share of persons working in the public and semi-public (and thus more protected) sectors (Frising et al., 2011: 51). Although still one of the lowest in the EU zone, the overall unemployment rate has increased over recent years in Luxembourg.

Table 3: Unemployment rates by country of citizenship (%)

	Men		Women		Total	
	2010 Q4	2011 Q4	2010 Q4	2011 Q4	2010 Q4	2011 Q4
Luxembourg	2.6	3.8	4.5	4.9	3.4	4.3
EU-27 countries	4.5	3.9	6.2	4.0	5.3	4.0
Non EU-27	:	:	:	26.5	:	21.1
EU-25 countries	4.6	3.7	6.0	4.0	5.3	3.9
Non EU-25	:	:	:	21.9	10.5	19.5
EU-15 countries	4.7	3.8	5.5	3.9	5.1	3.8
Non EU-15	:	:	18.0	19.0	10.7	16.3
Foreign country (all EU and non-EU)	4.8	4.8	6.9	5.9	5.8	5.3
Total	3.7	4.3	5.7	5.4	4.6	4.8

Source: LFS, Eurostat.

Note: Working age population (15 to 64 years): not available.

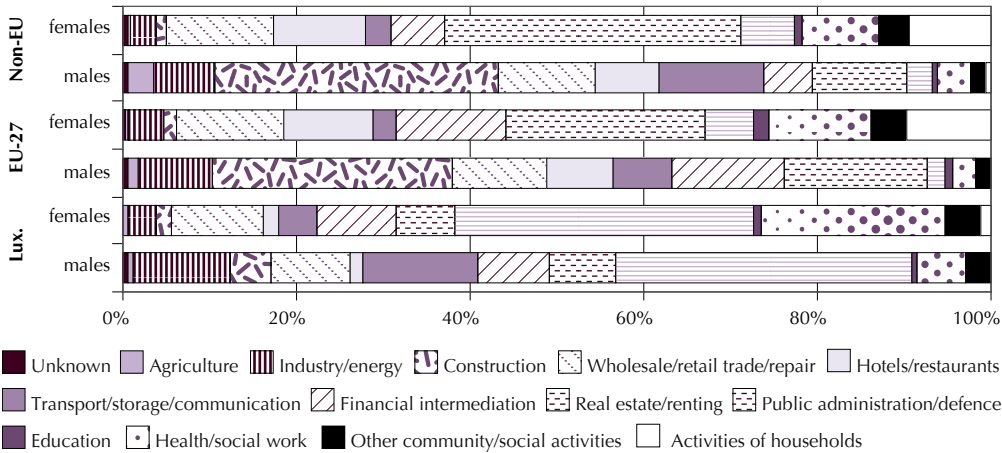
An alternative for dependent employment can be self-employment. Yet, non-Luxembourgers do not make use of this option more frequently than natives.

As highlighted in the previous IOM LINET study (IOM, 2012), there are patterns of segmentation in the Luxembourgish labour market. Male Portuguese, and other male EU and non-EU migrants, are for instance over-represented in the construction sector, while Luxembourgish men are only rarely employed there and predominantly work in public administration. Their female counterparts also mainly occupy jobs in the public sector and the health sector, while female migrants work for enterprises in the real estate sector. However, whether these are estate agents or cleaners/maintenance workers cannot be deduced from such figures.

Looking therefore at women's occupations (Figure 1, top chart), non-EU nationals are either in top or bottom occupations, being legislators, senior officials, managers, professionals or service, sales, craft, agricultural workers, operators, assemblers, or in other elementary occupations. This situation is similar for men (Figure 1, bottom chart). In contrast, EU migrants occupy the professions in between, such as technicians, associate professionals and clerks. Non-EU female migrants are more

frequently found in lower-level occupations than their male counterparts, while for EU migrants the gender differences are less pronounced.

Figure 1: Industrial sector (NACE), by country of citizenship and gender, 2011 (%)



Source: IGSS, Statec.

Note: Only resident wage earners.

Temporary contracts are not very common among Luxembourgish citizens, who, on average, occupy more stable jobs in Luxembourg. EU migrants and non-EU migrants in particular are more likely to be employed under temporary contracts, which may be due to their recent arrival. In fact, 80 per cent of the temporary contracts in Luxembourg are held by cross-border workers from Belgium, France and Germany (Clement and Thomas, 2010: 5). Besides being employed frequently in sectors that have been hit harder by the crisis (industry sector; services to companies), this is one of the main reasons that cross-border workers were more affected by the economic crisis than non-national residents.²²³

3. Institutional and legal framework for admission and employment

To date, Luxembourg has no explicit immigration strategy. The attractiveness of Luxembourg for highly skilled workers has been a major concern in the immigration debates of recent years. Luxembourg's highly skilled immigration is low in comparison to many other EU countries (EMN, 2011: 62). Other major changes in 2010–2011 concern the conditions for access to certain sectors and professions. In December 2010, a tax scheme for highly qualified expatriates was implemented.

²²³ Changes in unemployment rights are important for cross-border workers from Belgium, France and Germany. Since 1 May 2010, Luxembourg is obliged to pay three months of unemployment benefits at Luxembourgish standards for cross-border workers that have lost their jobs, to the country of their residence.

With a view to maintaining Luxembourg's competitiveness, the Government has aimed at reconciling migration policies better with the needs of the national economy. Recent propositions were to enhance geographical mobility of workers within the country as well as in the so-called Greater Region, improving the infrastructure for accessing work, and to attract high-skilled workers from third countries.

In this line, the Directive 2009/50/CE of 25 May 2009, on entry and stay conditions for third-country nationals for highly qualified employment ('European Blue Card'), was inserted into Luxembourgish law on 8 December 2011. Luxembourg did not implement the optional prerequisite of proof that the position cannot be filled with a domestic or EU worker in cases of a third-country national candidate (Article 8(2) of the Directive). Residence permits are also granted for the same period to family members. Autonomous residence permits can be obtained after five years of residency in Luxembourg (or the EU), or after the cohabitation is terminated. The new provisions regarding family reunification are thus more favourable than those specified in the Directive 2003/86/CE on family reunification.

One important issue is the shortage of trained workers in some sectors in Luxembourg, for instance in the health sector where fewer than 40 per cent of all paramedical professionals are Luxembourgish citizens. This has raised a debate about the recognition of qualifications and diplomas obtained abroad. To improve the process of recognition, the Accreditation of Prior Learning procedure (VAE) was implemented in spring 2010. The law of 2 September 2011²²⁴ facilitates access to crafts professions such as craftsman, tradesman, industrialist, and certain liberal professions, but values professional experience more than before. For instance, if formal qualification requirements are not met, work experience can be endorsed instead. This should also ease access to these professions for migrants without recognized qualifications.

On 9 December 2011, the Luxembourgish government renewed the decision on conditional labour market access for Bulgarian and Romanian citizens (only upon work permit), rather than opting for the free movement for EU accession country workers. Highly qualified workers, researchers and trainees, however, are exempt from these restrictions.

4. Institutional and policy framework for integration

One of the main changes in migration and integration policies and institutional developments in the period 2010–2011 are rooted in the law of 16 December 2008 on the Reception and Integration of Foreigners. The Welcome and Integration Contract (CAI: Contrat d'accueil et d'intégration) – foreseen in the law of 16 December 2008 – was launched in September 2011. Its implementation lies in the hands of the Luxembourg Reception and Integration Agency (OLAI) of the Ministry of Family and Integration. This contract is a voluntary, mutual commitment between the State and immigrants, irrespective of their origin (EU or non-EU countries) and their prior

²²⁴ <http://www.legilux.public.lu/leg/a/archives/2011/0198/2011A3602A.html?highlight=>.

duration of residence (newcomers or persons settled already in Luxembourg). People who signed the CAI are exempt from one of the optional civic courses required for naturalization. The contract also presents an advantage when applying for long-term residence permits. People who have signed it also enjoy priority for civic trainings and access to other training (languages, orientation days). Nonetheless, the CAI has been criticized for its modest ambitions.

Changes in the Grand Ducal Regulation on the organization and operation of the Consultative Communal Commissions on Integration (CCI: Commissions consultatives communales d'intégration) introduced the rule that a commission must be established in every commune, not only in those with at least 20 per cent of non-nationals, as was previously stipulated. At least one citizen among its non-national members must be from a third country, unless no third-country citizen has contended. The call of nominations in the communes was launched in early 2012 and the CCIs established subsequently. In addition, the Grand Ducal Regulation on the modes of appointment of non-national representatives in the National Council for Foreigners (CNE: Conseil national pour étrangers) and their new distribution was approved. Consisting in a large part of foreigners' representatives, the mission of National Council for Foreigners is to inform and counsel the government. Until 2011, half of the 30 members had to have foreign citizenship.²²⁵

On 26 November 2010 the Luxembourgish government adopted the Multi-annual National Action Plan on Integration and Against Discrimination 2010–2014. Its mission is not only to implement the 2008 law by receiving migrants and helping their integration, but also to combat discrimination (see IOM 2012).

Generally, the positive effects of immigration such as demographic impact, childbearing and social security contribution are stressed to the public, yielding a rather positive feeling towards migrants in comparison with the rest of Europe.

5. Discrimination in employment

Anti-discrimination bodies and other institutions in Luxembourg include the Centre for Equal Treatment (CET), the ombudsman, the Consultative Commission on Human Rights (CCDH), the National Council for Foreigners (CNE) and the Luxembourgish Office for Reception and Integration (OLAI).

Although half of the requests received by the *Ombudsman* come from non-Luxembourgish nationals, complaints about discrimination are very rare. The Ombudsman states that in 95 per cent of the recommendations concerning the rights of non-nationals, the Luxembourgish authorities act appropriately and remedy the problems, which mostly concern administrative delays, affecting non-nationals in particular (work permits, etc.) (ECRI, 2012: 18).

²²⁵ As specified in the amended law, the CNE consists now of 34 members, of which 22 are of foreign citizenship. The mandate period increased furthermore from three to five years.

Being anchored in the 2006 law, the Consultative Commission on Human Rights (CCDH) enjoys a similar formal position as the Ombudsman, and has been strengthened in recent years (ECRI, 2012: 19).

Despite the assistance of the Luxembourgish Office for Reception and Integration (OLAI), the ECRI (2012:20) regrets the lack of guaranteed administrative, logistic and financial resources limiting the profile and impact of the CNE. However, because of its powers to receive complaints in line with the International Convention on the Elimination of All Forms of Racial Discrimination, the Permanent Special Commission against Racial Discrimination, an organ of the CNE, is crucial in combating discrimination in Luxembourg (ECRI, 2012).

In short, the problem faced by Luxembourg's bodies for combating discrimination is how responsibilities and powers are assigned amongst them. Their resources and missions need to be better coordinated to avoid overlaps and ensure efficiency. (ECRI, 2012; MIPEX, 2012²²⁶).

A study carried out in 2011 for the CET (Messaoudi and Margue, 2011) suggests that racial/ethnic discrimination is the most frequent form of *subjectively perceived* discrimination in Luxembourg (37% of the 1,025 respondents), followed by discrimination on grounds of nationality and sexuality (25% and 24% respectively). Religious discrimination and linguistic discrimination were mentioned far less (10% and 5% respectively). Subjectively ethnic/racial discrimination has increased in Luxembourg between 2009 and 2011. A fifth of all first-mentioned discriminatory acts occurred at the workplace, the most frequently cited place of discrimination. The share increased slightly from 19 per cent to 21 per cent between 2009 and 2011. In terms of reactions, 53 per cent of the persons 'did not do anything' while 22 per cent informed their supervisor and only 6 per cent filed a complaint (police, Luxembourgish administration, and so on). The most common reasons stated for not reporting acts of discrimination were 'did not want to do it/resignation' and 'feeling of incapacity towards the system' (31% and 23% respectively). Of those who experienced discrimination, 17 per cent had been discriminated against a second time.

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